

ALASKA STATE LEGISLATURE
SENATE TRANSPORTATION STANDING COMMITTEE

February 22, 2011

1:02 p.m.

MEMBERS PRESENT

Senator Albert Kookesh, Chair
Senator Joe Thomas, Vice Chair
Senator Dennis Egan
Senator Linda Menard

MEMBERS ABSENT

Senator Charlie Huggins

COMMITTEE CALENDAR

SENATE BILL NO. 77

"An Act making a special appropriation to the Department of Transportation and Public Facilities to provide matching grant funds for operating expenses for certain locally and federally funded public transit projects; and providing for an effective date."

- MOVED CSSB 77(TRA) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SB 77

SHORT TITLE: APPROP.: PUBLIC TRANSIT PROJECTS

SPONSOR(s): TRANSPORTATION

02/02/11	(S)	READ THE FIRST TIME - REFERRALS
02/02/11	(S)	TRA, FIN
02/22/11	(S)	TRA AT 1:00 PM BUTROVICH 205

WITNESS REGISTER

JEFF ROGERS, Staff
Senator Johnny Ellis
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Introduced SB 77 on behalf of the sponsor.

DAVID LEVY, Executive Director
Alaska Mobility Commission

Anchorage, AK

POSITION STATEMENT: Testified in support of SB 77.

JEFF OTTESEN, Director of Program Development
Department of Transportation and Public Facilities
Juneau, AK

POSITION STATEMENT: Testified that SB 77 gives DOTPF a great deal of latitude.

KATHY WASSERMAN, Executive Director
Alaska Municipal League
Juneau, AK

POSITION STATEMENT: Testified in support of SB 77.

CONNIE SIPE, Executive Director
Center for Community
Sitka, AK

POSITION STATEMENT: Testified in support of SB 77.

DOUG BRIDGES, Southeast Senior Services
Catholic Community Services
Juneau, AK

POSITION STATEMENT: Testified in support of SB 77.

ACTION NARRATIVE

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CHAIR ALBERT KOOKESH called the Senate Transportation Standing Committee meeting to order at 1:02 p.m. Senators Thomas, Egan, Menard, and Kookesh were present at the call to order.

SB 77-APPROP.: PUBLIC TRANSIT PROJECTS

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CHAIR KOOKESH announced the consideration of SB 77 and asked for a motion to adopt the proposed committee substitute (CS).

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SENATOR THOMAS moved to adopt work draft CS for SB 77, labeled 27-LS0348\E, as the working document. There being no objection, version E was before the committee.

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JEFF ROGERS, staff to Senator Ellis, sponsor of SB 77, introduced the bill speaking to the following sponsor statement:

Senate Bill 77 provides three million dollars in matching funds to support community transit projects.

Alaska is one of only three states that does not provide operating support for public transit, shifting the entire burden to local governments and non-profits to partner with the federal government to provide these services. In too many cases, local transit agencies must turn down federal funding because they cannot meet a required matching component. Increasing fares and diminishing service routes have the greatest impact on Alaska's most vulnerable citizens, making it more difficult for seniors to get to health care providers, for workers to get to jobs, and for students of all ages to get to school.

The State of Alaska currently provides direct general fund matching assistance for other modes of transportation, including highways, aviation, and harbors. Annual federal funding available to Alaska for transit assistance varies from year-to-year, but averages nine million dollars or more. In many cases, Alaska is not capturing these federal funds due to insufficient matching funding. State funds to help meet the match requirement would put public and community transportation providers on a parity level with other federal and state "partnerships" that provide transportation for Alaskans.

Senate Bill 77 appropriates three million dollars to the Alaska Department of Transportation and Public Facilities to award to community transit providers through a competitive grant process, with a required 50 percent match requirement (in kind or cash). Senate Bill 77 is a legislative priority for the Municipality of Anchorage, the Alaska Mental Health Trust Authority, the Alaska Mobility Coalition, the Governor's Council on Disabilities and Special Education, and the Alaska Commission on Aging.

MR. ROGERS directed attention to an article from the Anchorage Daily News (ADN) that talks about the need for more buses and drivers because it's currently very difficult to get around Eagle River. This isn't an isolated example, but it highlights that public transit in the state is under threat as local communities make difficult choices about where to spend limited tax dollars. He noted that the bill was the second of three recommendations that came out of the Governor's Coordinated Transportation Task Force report. Any public transportation

entity, including water and air, would qualify for the funding, he said, but state projects are specifically excluded.

MR. ROGERS directed attention to a handout that highlighted the benefits of public transit such as \$1 invested in public transit yields \$3.20 in business sales; \$1 million invested in public transit brings 36 fulltime sustainable jobs; using public transit can save an individual \$9,000 per year; and one person switching to public transit can save 20 pounds of carbon emissions per year. A Dittman survey indicates that only three percent of Alaskans believe that public transit is not important at all; 88 percent believe that the state should provide a match when federal funds are available. The bill has support from the Alaska Municipal League, the Governor's Coordinated Transportation Task Force, the Alaska Mobility Coalition, the Alaska Mental Health Trust Authority, the Alaska Commission on Aging, the Alaska Center for the Environment, the Municipality of Anchorage, the Mat-Su Borough, and senior groups statewide.

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MR. ROGERS explained that the CS makes the following changes: The word "operating" was removed from the bill to allow maximum flexibility for local communities to tell DOTPF in a competitive grant process about their real needs. Language has been added that says that the state match cannot be more than 50 percent. Language has been inserted stating that the legislative intent is that the appropriation will be allocated to achieve a statewide balance between urban and rural areas. It is not dependant on ridership.

MR. ROGERS noted that page XI of the Governor's Coordinated Transportation Task Force report contains language about making specific state funds available for public transportation projects and providers, which can match federal funds, during the annual appropriation process. On page 10 the report highlights that the lack of specific state funding for operating transit systems is an exacerbating factor in this state. According to a 2008 report from the U.S. DOT, state funds support about 20 percent of the total public transit resource for operating and capital expenditures nationally, but the State of Alaska support is zero. Alaska is one of three states that do not provide regular annual operating support for public transit projects.

The report further points out, on page 11, that because Alaska provides no specific funding for operating expenses, individual

communities and non-profit entities must work to secure federal funding for operating expenses.

Recommendation II of the CTF is for the state to make specific state funds available to support operating expenses for public transportation projects and providers given the state's need to:

- Secure all or a significant share of the available federal funding.
- Support the high cost of operating public transportation systems and the connectivity between them.
- Motivate local leaders to pursue coordination of public transportation services for local residents.

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MR. ROGERS highlighted that a group of Homer residents is working to make public transit happen in that community and all they need from the state is money to meet the federal match. Likewise, the Juneau Chamber of Commerce has indicated that it recognizes the importance of public transit. We'll have a winner on our hands if more chambers, environmental groups, and seniors groups agree that this is a good idea, he concluded.

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DAVID LEVY, Executive Director, Alaska Mobility Commission, stated that AMC supports this bill as a way to partner with the state, not as a handout. Local communities, non-profits, tribes, and the federal government all invest in public transportation and it's time for the State of Alaska to step up and be a partner.

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SENATOR MENARD commented that she's pleased that the Governor's task force was involved because this assures her that the Governor is on board. She commented that she would think that this would create more than just 36 jobs.

MR. ROGERS explained that the number came from the American Public Transit Association. It means 36 jobs for every \$1 million the state puts in and 36 jobs for every \$1 million in federal funding. This could be as much as \$10 million to \$12 million from the federal government, which could mean several hundred jobs. He clarified that while the bill comes directly out of the Governor's Coordinated Transportation Task Force report, neither the Governor nor the administration has weighed in on the bill.

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SENATOR THOMAS posited a situation in which three organizations applied for and were granted \$1 million each from the \$3 million appropriation. He asked how the initial grantees would backfill their operating budgets the following year if six organizations applied for the funds and the appropriation was still just \$3 million. Each applicant would then only receive \$500,000. He pointed out that if it was capital money it would be there for capital projects and the various entities would accept that they received a one-time grant and they might not receive it the following year. He opined that this bill builds anticipation for operating funds.

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MR. LEVY said DOTPF has a competitive grant process for federal money in place and communities have to ensure that they have certain resources to qualify. The sponsor envisions a similar process for the \$3 million appropriation and if the state has less money to provide in subsequent years, that's the way it is. Local communities have gotten nothing in the past and if resources become scarce the local communities will need to work that out accordingly.

SENATOR THOMAS clarified that his concern was that the \$3 million appropriation would theoretically be split among more entities each year, and it's operating money.

MR. ROGERS said it's a good point and they would take it into consideration, but he agrees with Mr. Levy that local communities get nothing now and realize that there will be competition in the future.

SENATOR MENARD encouraged the sponsor to get the administration on board sooner rather than later and to change the slide to show, without doing math, how many jobs would result.

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JEFF OTTESEN, Director of Program Development, Department of Transportation and Public Facilities (DOTPF) informed the committee that he oversees the transit staff for DOTPF and that he chaired the first and second iterations of the task force. He said the bill gives DOTPF a great deal of latitude and they would put this to good use if the bill were to pass.

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SENATOR THOMAS asked Mr. Ottesen to comment on the entities that have indicated need.

MR. OTTESEN said there is a demonstrated need in the senior population, the various disabled populations, low income people, and the unemployed. They all need transit. He was surprised to learn that 75 percent of the employees at the local Fred Meyers store rely on public transit, but this isn't unique. Senior centers statewide, fixed route transit operators in many communities, and non-profit social service agencies serve a wide variety of customers.

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KATHY WASSERMAN, Executive Director, Alaska Municipal League, stated support for SB 77. There is a need in this state to not only provide but also maintain jobs, and without transit systems many people have no way to get to work. This is a win-win idea because it requires a match and the municipalities support it fully.

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CONNIE SIPE, Executive Director, Center for Community, explained that when Sitka received federal money for public transit several years ago, the Center for Community was asked to become the managing agency. As required by law, CFC operates a coordinated public transit system. They coordinate with the Sitka Tribe of Alaska to drive the buses and Southeast Senior Services for Care-A-Van rides for anyone who has a disability. The Center for Community brings about \$616,000 in federal money to Sitka and they raise local in-kind match that's between \$380,000 and \$400,000. When the tribe applied for and received a direct federal grant, a third transit route was opened. The three entities each own vans and buses and they use them together. SB 77 would give CFC the opportunity for a cash match compared to the current in-kind match, which would provide an opportunity for expanded service. While there's been great support, operating capital and match funds have been hard to come by, she said.

SENATOR MENARD commented that she likes the concept of the bill and she can't understand the current trend to turn back money from the federal government.

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DOUG BRIDGES, Southeast Senior Services, Catholic Community Services, stated support for SB 77. He informed the committee that Catholic Community Services is the complementary para-transit provider in Sitka, Ketchikan, and Juneau and they also provide senior transportation in smaller communities. Every year they provide over 85,000 rides. He said he also wants to remind

the committee about the importance of transit for economic development and tourism. It is time for the state to demonstrate its support for transit in communities, he said. Without question, the senior population is growing and if the state is willing to make this commitment it will help keep seniors in Alaska and in smaller rural communities in particular. He noted that Catholic Community Services is looking to help develop transit systems in communities on Prince of Wales Island. Currently the assets are there to develop transit and there is interest. Interest from the state would assist this effort.

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CHAIR KOOKESH closed public testimony and asked the will of the committee.

SENATOR MENARD moved to report SB 77 from committee with individual recommendations and attached fiscal note(s).

CHAIR KOOKESH announced that without objection, CSSB 77(TRA) moved from the Senate Transportation Standing Committee.

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There being no further business to come before the committee, Chair Kookesh adjourned the meeting at 1:41 p.m.